

Property Taxes and MHT Homes- FAQ

HOW DO PROPERTY TAXES WORK IN WA STATE?

Washington State has a budget-based system of property taxation. There are three main components to the property tax:

- Levy amount
- Assessed value (AV)
- Levy rate

As part of the budget process, the taxing jurisdiction establishes the amount of property tax revenue needed to fund the budget. That amount needed to fund the budget is called the levy amount, or just simply the levy. It is the total amount to be collected from the taxpayers by a taxing district.

By November 30 of each year, the amount of taxes to be levied by taxing districts are certified to the county assessor. The county assessor then calculates the levy rate necessary to raise that amount of revenue by dividing the total levy amount by the assessed value of taxable property in the district.

By law, this number is expressed in terms of a dollar rate per \$1,000 of valuation. For example, a rate of \$0.00025 is expressed as \$0.25 per \$1,000 of assessed value.

Levy Amount ÷ Assessed Value = Levy Rate

The Washington State Constitution limits the annual rate of property taxes that may be imposed on an individual parcel of property to 1% of its true and fair value. Since tax rates are stated in terms of dollars per \$1,000 of value, the 1% limit is the same as \$10 per \$1,000 and is often referred to as the \$10 limit. Taxes imposed under this limit are termed "regular" levies, while those outside the limit are "excess" or "special" levies. Regular Levies may or may not require a vote to be established:

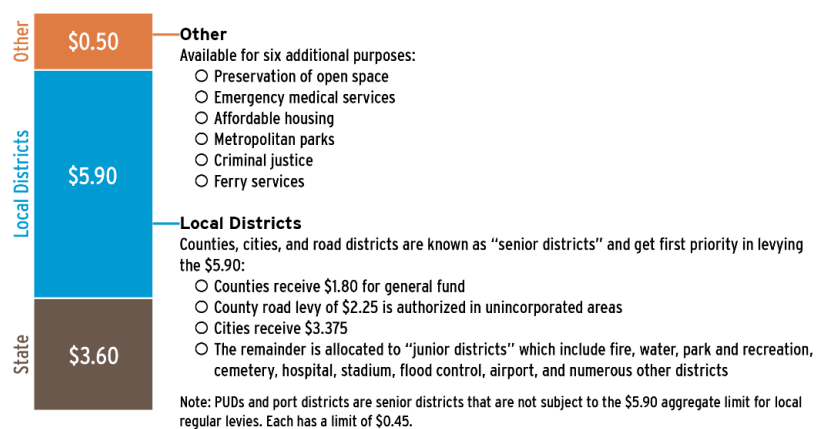
Non-voted regular levies:

- Cemetery districts, fire protection districts, hospital districts, library districts, metropolitan park districts, ferry districts, flood control zone districts, and regional fire service authorities.

Voted regular levies:

- Airport districts; city transportation authority; cultural arts, stadium and convention districts; emergency medical services districts; park and recreation districts; and park and recreation service areas.

\$10 Property Tax Limit In Washington



The following chart shows how the \$10 limit is allocated. The aggregate limit for cities, counties and most special districts is \$5.90 per \$1,000 assessed value.

WHAT LEVIES ARE MY MHT HOME SUBJECT TO?

Because of WA's budget-based tax system, it's important that everyone pay their fair share, so your MHT home is subject to the same tax levies as all other residential properties.

If you go to the County Assessor's TaxSifter website, you can find the tax statement specific to your MHT home:

- Start here, and search for your address:
<https://okanoganwa-taxsifter.publicaccessnow.com/Search/Results.aspx>
- Clicking on the "Assessor" button will take you to the summary of your Assessed Value
- Clicking on the "Treasurer" button will take you the summary of your historical and current Property Tax Statements

The specific levies are subject to change (based upon voting cycles and current legislation), however, today your statement probably looks something like this:

- State of Washington
- Senior Taxing Districts
 - County of Okanogan
 - County Roads
 - City (of Winthrop or Twisp)
- Junior Taxing Districts
 - Cemetery
 - Fire
 - School
 - EMS
 - Hospital
 - Cemetery

You will also notice that there may be some line items with the category "Assessment". These are applied to every Real Property parcel in the associated district, and are related to districts that are allowed to collect a flat fee per parcel, in order to meet a particular budget:

- Conservation (Weed & Pest Control)
- DNR Fire Protection

WHO PAYS PROPERTY TAXES FOR MHT HOMES?

Because you own your MHT home, you - as the homeowner - are responsible for paying your fair share of property taxes.

Payment is typically split into two statements (or bills) per year.

If you DO have a mortgage on your home, then your monthly payment includes 1/12 of your property tax payment, which is stored in an "Escrow" account each month. When a statement is due, your lender writes a check to the Okanogan County Treasurer, usually without your intervention. It is a good idea to keep an eye on your escrow balance and your tax statements (see link above)

If you do NOT have a mortgage on your home, it's important to remember that you will have a tax bill due each year, for which you are responsible, and there is no escrow account. It's a good idea to set aside 1/12 of your annual tax liability each month so there are no surprises. To be safe, assume that this will be 1% of your assessed value.

HOW IS MY MHT HOME'S VALUE ASSESSED?

The County Assessor is required by law to value property at 100% of its "True and fair value," [where](#):

"True and fair value" means market value and is the amount of money a buyer of property willing but not obligated to buy would pay a seller of property willing but not obligated to sell, taking into consideration all uses to which the property is adapted and might in reason be applied.

For Methow Housing Trust homes, the Okanogan County Assessor's office has determined that True and Fair Value is the resale restricted value of the home.

What this means is that: the assessed value of your home (and therefore the amount used to calculate your property taxes) is the price you paid for your home, plus any accrued appreciation (1.5% per year).

Keeping assessed values of MHT homes aligned with the resale-restricted value is an important element to long-term affordability, and we are grateful to have a county assessor that understands this. If they were not resale and appreciation restricted (therefore changing 'true and fair value'), all MHT homeowners' tax burden would likely be more than 2x what they are today.

Check out the County Assessor's TaxSifter website to find your home's specific assessed value:

<https://okanoganwa-taxsifter.publicaccessnow.com/Search/Results.aspx>